

## MEMORANDUM

**TO: VILLAGE PRESIDENT UNDERWOOD, TRUSTEES & RESIDENT MEMBERS**

**FROM: DAVID A. LOTH SPEICH, VILLAGE MANAGER**

**DATE: JANUARY 16, 2015**

**RE: UPCOMING BOARD WORKSHOP #4**

This report is provided on behalf of the management team for your review and information. If there is an item of particular interest to you, please let me know.

**Upcoming Special Board Meeting Workshop #4 – January 20, 2015 at 7:30 pm. (Kildeer Countryside)**

### **CALL TO ORDER:**

**Motion calling the meeting to order.**

**Item: Pledge Of Allegiance.**

### **WORKSHOP DISCUSSION ITEMS:**

**Item: Introductions.**

**Item: Goals & Objectives Of Peer Reviews and Workshops.** Facilitator Greg Kuhn (5 min.)

**Item: Infrastructure Maintenance, Economic Development & Finances - Prior Workshops.** (10 min.)

A. Roadway Pavement Analysis & Report - Michael Shrake, *Gewalt-Hamilton Associates*.

B. Economic Development - Bridget Lane, *Business Districts Inc.* (BDI).

C. Village Finances Reviews - *GovHR* & *Baker Tilly Virchow Krause*.

**Item: Financial Projections Presentation.** Village Manager David Lothspeich (30 min.)

**Status:** The enclosed draft financial projections for five (5) and fifteen (15) years were based upon the following documents and assumptions:

**3A. DRAFT 5-Year Capital Improvement Program (CIP) With Inflation.** The Village Board has discussed this document during the previous two meetings but have not finalized or approved the CIP. This CIP, along with the others, is the basis for the projected capital expenses over the next five years. The CIP is modeled after the Pavement Condition Study (PCS) that Village Engineer Michael Shrake of Gewalt Hamilton Associated (GHA) presented during the first workshop. The PCS modeled paving cost based upon an annual inflation rate of 7%. The PCS is included under the Workshop #1 Folder.

All the DRAFT CIP include "Total Expenditures" and "Net Revenues" based upon the following three categories of CIP expenses:

- A. "Road Work Only (No Other Capital).
- B. "All Capital Projects (Excluding Streetscape)
- C. "All Capital Projects (Including Streetscape)

**3B. DRAFT 15-Year Capital Improvement Program (CIP) With Inflation.** Village Engineer (GHA) prepared the 15-Year CIP based upon the PCS (Option A) based upon geographical area in order to minimize mobilization costs.

**3C. DRAFT 5 & 15 Year Capital Improvement Programs (CIP) Without Inflation.** Village Engineer (GHA) prepared these documents based upon the CIP's that included inflation in an effort to highlight the inflationary costs.

**4A. DRAFT Financial Projections Without New Development.** The financial projections are based upon no new development during the next fifteen (15) years. The financial projections include and/or are based upon the following assumptions:

1. Revenues and Expenditures include assumed annual projected increases/decreases. The first column "Assumed Annual % Change" identifies these assumption amounts.
2. Sales Tax revenues include existing and projected sales tax revenues from the Sunset Grove Development. The enclosed item #4C identifies the projected revenues from Sunset Grove.
3. Projected CIP expenses are based upon item #3B "DRAFT 15-Year CIP With Inflation".
4. As with the DRAFT 15-Year CIP With Inflation, the "Total Expenditures" and "Net Revenues" reflect the three categories of CIP expenses.

**4B. DRAFT Financial Projections With New Development.** This financial projections includes new development during the next fifteen (15) years. The revenue projections are based upon item #4C "Commercial Properties Acreage & Zoning". The development and the associated revenues are based upon properties that are either underdeveloped or undeveloped and planned for commercial development. Most of these properties were reviewed by Economic Development Consultant Bridget Lane of Business Districts Inc. (BDI) during Workshop #2. The assumptions are based upon the review by BDI and assumed market limitations re: maximum commercial retail, expectations of potential sales tax incentives, potential shared sales tax (NW Corner IL 53 & Lake-Cook), readiness and assumed timing for future development based upon the existing market.

**Item:** **Discussion, Brainstorming Goals & Objectives** (90 min)

**Status:** Facilitator Greg Kuhn will lead the group through discussion and brainstorming to develop goals & objectives resulting from all four workshops.

**Item:** **Adjournment.**

**Status:** As with the prior meetings, School District 96 has again graciously accommodated our schedule with the understanding that the meeting will adjourn by 10:00 pm. **Motion adjourning the meeting.** Next Regular Board Meeting: January 27, 2015.